
Semiannual Report to the Congress

October 1, 2002 - March 31, 2003



Martin J. Dickman, Inspector General

Railroad Retirement Board



UNITED STATES RAILROAD RETIREMENT BOARD

OFFICE OF INSPECTOR GENERAL

April 30, 2003

The Honorable Cherryl T. Thomas
Chair
Railroad Retirement Board
844 North Rush Street
Chicago, IL 60611-2092

Dear Ms. Thomas:

I am pleased to submit the Semiannual Report to the Congress on the activities of the Office of Inspector General (OIG) for the period October 1, 2002 through March 31, 2003. The report is submitted in accordance with section 5 of the Inspector General Act of 1978 (Public Law 95-452, as amended). The Act requires that you transmit this report, along with any comments you may wish to make, to the appropriate Congressional committees and subcommittees within 30 days.

This report provides a summary of our audit and investigative activities conducted during this semiannual reporting period. We are working with agency managers to ensure corrective actions are initiated to address identified weaknesses. Our investigative efforts to identify and investigate cases of waste, fraud and abuse in agency benefit programs continued to return positive results during the past six months.

On behalf of my staff, I wish to again thank the staff of the Railroad Retirement Board for their continued cooperation and assistance.

Sincerely,

A handwritten signature in cursive script that reads "Martin J. Dickman".

Martin J. Dickman
Inspector General

Enclosure

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All reports are available on our website: <http://www.rrb.gov/oig/Rrboig.htm>

EXECUTIVE SUMMARY

In fiscal year (FY) 2002, the President's Management Agenda provided five initiatives to all Federal agencies: strategic management of human capital, competitive sourcing, improved financial performance, expanded E-government, and budget and performance integration. During this semiannual reporting period, we reviewed the applicability of these initiatives to the operations of the Railroad Retirement Board (RRB), and provided recommendations for strategic change that will permit the agency to address the President's initiatives.

The insufficient monitoring of the National Railroad Retirement Investment Trust (NRRIT) activities remains a critical concern to us. As reported in previous semiannual reports, this body is responsible for the investment of over \$18 billion used to support Railroad Retirement Act benefit programs. The NRRIT's summary of investment activities for the period ending February 28, 2003 indicated cumulative losses of over \$504 million. Because of the lack of detailed information on NRRIT activities, we support legislative amendments to specifically grant oversight and enforcement powers to this office.

Our focus on two key operational areas of the Railroad Retirement Board continues: financial management and information systems security. We completed the audit of the FY 2002 financial statements, and again cited the RRB's overall control environment and information system security as material weaknesses, and determined the agency's accounting for recoveries from benefit overpayments was a reportable condition. We continue to work with agency managers to ensure these weaknesses are adequately addressed.

Auditors completed two reviews that also addressed the President's initiative for improvement in Federal financial performance. These reviews evaluated the agency's controls for estimating exposure to improper payments, and management's progress in meeting selected financial management requirements of Office of Management and Budget Circular A-127.

Our investigative staff achieved positive results of 19 convictions, 25 indictments and informations, and \$1,400,857 in recoveries, restitutions, fines, civil damages, and penalties. In response to a request for assistance from the Inspector General at the National Aeronautics and Space Administration, two special agents from our office assisted in the recovery activities of the space shuttle Columbia.

I N T R O D U C T I O N

Office of Inspector General

The Office of Inspector General (OIG) has the responsibility for promoting economy, efficiency and effectiveness in the programs of the Railroad Retirement Board. The office is also charged with the detection, prevention and elimination of fraud, waste and abuse in agency operations. To accomplish its mission, the OIG conducts audits, management reviews, and investigations.

The Railroad Retirement Solvency Act of 1983 established the Office of Inspector General at the Railroad Retirement Board by naming the agency as “one of such establishments” identified under Section 2 of the Inspector General Act of 1978. The Inspector General Act Amendments of 1988 added the RRB to the list of agencies covered by the Inspector General Act.

In fiscal year 2003, the OIG has 54 employees and an operational budget of \$6,322,000. The organization has three major components: the immediate office of the Inspector General, the Office of Audit, and the Office of Investigations. The office conducts operations from two locations: the headquarters of the Railroad Retirement Board in Chicago, Illinois, and an investigative field office in Philadelphia, Pennsylvania.

Railroad Retirement Board

The Railroad Retirement Board (RRB) is an independent agency in the executive branch of the Federal government that is headed by a three member Board appointed by the President of the United States, with the advice and consent of the Senate. One member is appointed upon the recommendation of railroad employers, one is appointed upon the recommendation of railroad labor organizations, and the third, who is the Chair, is appointed to represent the public interest.

The agency administers comprehensive retirement-survivor and unemployment-sickness insurance benefit programs for the nation's railroad workers and their families, under the Railroad Retirement and Railroad Unemployment Insurance Acts. The RRB also has administrative responsibilities under the Social Security Act for certain benefit payments and Medicare coverage for railroad workers.

During fiscal year (FY) 2002, the RRB paid \$8.6 billion in retirement and survivor benefits to approximately 684,000 beneficiaries, while net unemployment and sickness insurance benefits of \$99 million were paid to almost 39,000 claimants. The RRB also administers its own Medicare Part B program through a single carrier, Palmetto GBA. The carrier made payments totaling \$788 million to provide medical insurance benefits for 571,000 beneficiaries.

S I G N I F I C A N T I S S U E S

During this semiannual reporting period, the Office of Inspector General offered strategic initiatives for management consideration related to the President's Management Agenda, continued to review the agency's monitoring of the National Railroad Retirement Investment Trust, and completed its audit of the Fiscal Year 2002 Financial Statements. A discussion of these major efforts follows.

STRATEGIC INITIATIVES RELATED TO THE PRESIDENT'S MANAGEMENT AGENDA

In fiscal year 2002, the President issued his Management Agenda that included five initiatives that are applicable to every department and agency within the Federal government: strategic management of human capital, competitive sourcing, improved financial performance, expanded E-government, and budget and performance integration. During this reporting period, we performed an analysis of the applicability of the President's Management Agenda to the RRB.

This office has previously recommended that the agency's Board Members concentrate their efforts on revising the RRB organizational structure, reducing the size and scope of the agency's Field Service staff, transferring the administration of tier 1 benefits to the Social Security Administration, and requesting a change in the structure of the agency to function as a government corporation. We issued these proposals to foster strategic change in light of a decline in railroad workers, beneficiaries and resources available to the agency.

Organizational Structure - We believe the agency should reduce its management layers and delegate authority to the lowest possible levels. The overall control environment of the RRB has been repeatedly cited as a material weakness in internal control. The agency's current structure is a contributing factor to this condition. The President's Management Agenda includes initiatives to reshape organizations to reduce the number of managers, organizational layers, and the time required to make decisions.

Field Service Operations - Our initial proposal in this area questioned the need for over 80 field service locations and recommended the number be reduced to ten. Agency management conducted a review and reduced the number of offices to 53. The existing structure is antiquated; the RRB has not adopted a greater use of electronic communications as recommended by the President to make it easy for citizens to interact with the Federal government and improve responsiveness to customers.

Tier I Benefits - The Railroad Retirement Act (RRA) of 1974 established the current two-tiered system. The tier I benefits were intended to be the equivalent of social security benefits while the tier II benefits were to parallel other industrial retirement plans. Because of the similarities in the tier I annuities and social security benefits, the RRB must duplicate the reporting, recordkeeping and benefit payment capability that SSA has in place. We believe an RRB/Internal Revenue/Social Security Administration task force could be formed to substantially reduce or eliminate the separate employer reporting related to the RRA. Such action would address the President's objectives to eliminate duplication in programs operations.

Agency Structure - We continue to believe that a change in structure would allow the RRB to focus on providing tier II benefits and administering the Railroad Unemployment Insurance Act programs. The administration of the agency should be delegated to a Chief Executive Officer, with the existing Board serving in an advisory capacity.

Finally, the enactment of the Railroad Retirement and Survivors' Improvement Act of 2001 has altered the benefit structure and financing of future benefits under the Railroad Retirement Act. The RRB's investment authority has been transferred to a board of trustees that is independent of the Federal government. The oversight of a reduced administrative function could also exist under a similar type of the trust structure. By pursuing such a change, the agency could meet the President's objective to streamline government services, and improve efficiency. We believe the implementation of the above recommendations will permit RRB management to effectively address the President's Management Agenda and to improve agency efficiency.

During this reporting period, we issued two additional reports that address the President's initiatives related to financial performance of Federal programs.

Summaries of these reports are located under the Office of Audit section of this document.

INVESTMENT ACTIVITIES

In our two most recent semiannual reports, we have discussed the enactment of the Railroad Retirement and Survivors' Improvement Act (RRSIA) and the activities of the National Railroad Retirement Investment Trust (NRRIT), the independent board of trustees created by the legislation to be responsible for investments used to support RRA benefit programs.

We have continued to express our concerns about the lack of available information on NRRIT activities. First, we advised the RRB to inquire about the background and expertise of the trustees. Only information concerning the Trust's independent member was provided. We then recommended the removal of any member lacking the "experience and expertise in the management of financial investments and pension plans."

To date, over \$18 billion in Federal funds have been transferred to the Trust. Some of these monies were realized through the sale of market-based securities issued by the Department of the Treasury to the RRB. The schedule of liquidation to which the agency and the NRRIT agreed included the sale of such securities, some of which provided a yield to maturity of 7%. Such action is particularly troubling given the current interest rate environment when there is no risk of default on the principal. In its summary of investment activities for the period ending February 28, 2003, the NRRIT reported cumulative losses of over \$504 million.

The NRRIT has also failed to provide detailed information of administrative expenses. No assessment of the reasonableness of such expenses can be made without detailed administrative cost figures. We requested this information, but the Trustees have not provided it.

We remain very concerned about the absence of detailed and verifiable financial information. Pursuant to the RRSIA, an annual report that should provide more extensive financial information on the majority of investments is not due until March 2004. Because the RRB management has failed to implement any reporting mechanism for assessing portfolio risk, and does not have the ability to effectively

monitor the activities of the Trust, we support amendments to the RRSIA to specifically grant oversight and enforcement powers to this office.

AUDIT OF THE FY 2002 FINANCIAL STATEMENTS

We concluded our audit of the Railroad Retirement Board's fiscal year (FY) 2002 financial statements, related internal controls and compliance with laws and regulations. Auditors reported that the principal financial statements presented fairly the financial position of the RRB as of September 30, 2002 and 2001. They also cited two material weaknesses, the overall control environment and the agency's information system security, and one reportable condition, accounting for benefit overpayment recoveries. A discussion of these matters follows.

Material Weaknesses

Overall Control Environment

As in each financial statement audit since FY 1993, auditors classified the RRB's overall control environment as a material weakness. This weakness in internal control results from an organizational structure that does not provide proactive top-down leadership in addressing financial reporting issues. The managers of the agency's operating components do not seek assistance across organizational lines to resolve problems related to financial accounting and reporting.

Auditors also noted that the Office of Management and Budget has established a timetable for acceleration of financial statement reporting in the Federal government. The RRB will be required to submit audited financial statements for FY 2004 by November 15, 2004. In their report, auditors stated that the RRB's successful compliance with this new reporting deadline will be considered as evidence of the adequacy of the agency's overall control environment with respect to financial statement reporting only.

Information System Security

OIG evaluations of information security during FYs 2001 and 2002 disclosed weaknesses in most areas of the RRB's information security program. Summaries of the findings from these reviews were contained in the two previous Semiannual Reports to Congress. Auditors identified the program as a source of material weakness in internal control over financial reporting as a result of significant deficiencies in program management and access controls.

Although the RRB has initiated actions to correct identified weaknesses, the most significant problems remain. Program management continues to be negatively impacted by the lack of training of key personnel. Access controls are not effective because of weaknesses in the management of both the mainframe and end-user computer environments.

RRB management has reported this material weakness in its information security program in the agency's annual report on internal control and financial systems, as required by the Federal Managers' Financial Integrity Act.

Reportable Condition

Accounting for Benefit Overpayment Recoveries

Previous OIG reviews in this area have identified errors in the recording of debt recovery transactions such as returned benefit payments that were not credited to debtors accounts, benefit payments erroneously credited to debtor accounts as recoveries, and delayed recording of certain Railroad Unemployment Insurance Act debt recoveries. An examination of related internal controls indicated many weaknesses that need corrective action by management. In addition, another audit of accounts receivable in FY 2002 disclosed additional weaknesses in several automated systems.

Agency management has completed corrective action for some OIG recommendations, but they have failed to complete action in several key areas. As a result, auditors included this area as a reportable condition.

O F F I C E O F A U D I T

The Office of Audit (OA) conducts audits and reviews to promote economy, efficiency, and effectiveness in the administration of RRB programs, and to detect and prevent waste, fraud, and abuse in such programs. Through the Inspector General, the office ensures that the Board Members and Congress are informed of current and potential problems in the RRB's programs and operations, and advised of recommended improvements, as well as the status of corrective actions. OA examines programmatic, financial, and administrative aspects of RRB operations.

In addition to the reviews described in the Significant Issues section of this report, OA continued its monitoring of the RRB's efforts to improve information system security. Auditors completed an evaluation of the self-assessment process of this area and offered recommendations for improvement.

Two additional reviews, the agency's quality assurance program for estimating exposure to improper payments, and the RRB's progress in meeting selected financial management requirements of OMB Circular A-127, addressed initiatives in the President's Management Agenda for improvements in Federal financial performance. Other audits focused on the agency's Employment Data Maintenance System (the database that contains historical service and compensation information for every person who has ever worked for a railroad), and the implementation of the automated system for employer contributions that are used to fund RUIA benefit payments.

Summaries of these reviews follow.

Evaluation of the Self-Assessment Process for Information System Security

In fiscal year 2002, the Office of Management and Budget (OMB) instructed agencies to apply standards developed by the National Institute of Standards and Technology (NIST) to ensure adequate security in Federal computer systems. NIST published a self-assessment guide that presents a standardized approach for assessing system security using long-standing requirements established by statute, policy and other guidance. The NIST guide includes an extensive questionnaire containing specific control objectives, elements, and techniques against which systems can be tested and measured.

In the same year, OMB directed Federal agencies to confirm whether their assessment methodology was comprehensive with respect to the NIST standards. The RRB reported that its self-assessment process had sufficiently addressed all NIST objectives. In our report to OMB, we reported that the agency had addressed only seven of the 17 NIST elements. We also reported that “the RRB questionnaire deals primarily with general policy and procedure issues and lacks sufficient coverage to match the specific control objectives and techniques provided by NIST.”

The RRB engaged the services of contractors to facilitate the agency’s self-assessments in FYs 2001 and 2002. During this recent review of the FY 2002 process, OIG auditors observed a lack of quality control for the contractor conducted process, and identified additional weaknesses that included anonymous, incomplete responses to the questionnaire and a lack of supporting documentation. The agency was also unable to locate any significant amount of detailed documentation to support their contractor’s conclusion for FY 2001.

The auditors recommended that the agency ensure the self-assessment process:

- is comprehensive with respect to NIST objectives, elements, and techniques;
- provides a consistent basis for assessing changes in the agency’s security status from year to year;
- includes controls to ensure the process is complete and credible; and

- is based on information that is clearly documented and maintained.

The agency's Chief Information Officer concurred with the recommendations. He will implement an automated software tool developed by NIST to conduct future assessments and will implement a consistent basis upon which to assess changes by FY 2004.

Effectiveness of the Railroad Retirement Act Quality Assurance Program in Estimating Exposure to Improper Payments

OIG auditors evaluated the Railroad Retirement Board's effectiveness in estimating the agency's exposure to improper payments in Railroad Retirement Act (RRA) benefit programs.

Since the Office of Management and Budget first required a report on the cost of improper payments in FY 2001, the RRB has used annual studies of initial and post adjudication accuracy to complete its reports. The current assessment methodology was developed by non-statisticians nearly 15 years ago to respond to the question of accuracy within a very narrowly defined framework. Key aspects of the study, such as the sample size, the sample selection size and the formulae used to project case and payment accuracy, are not adequately documented. In addition, the present lack of statistical expertise causes errors in study results.

Auditors also performed a detailed review of the agency's annual study of RRA initial case and payment accuracy and identified several weaknesses. The study data was incomplete, the assessment methodology was not fully documented, errors resulted from the lack of statistical expertise, and the treatment of constructive awards was problematic. Correction of these weaknesses will ensure the RRB employs an effective quality assurance program that is clearly and fully documented.

Recommendations for corrective action were made to management to:

- develop a comprehensive methodology for estimating the frequency and monetary impact of improper payments,

- address weaknesses in the current methodology for assessing initial case and payment accuracy,
- provide training in applied statistics to responsible staff, and
- consider the development of a methodology to measure the monetary impact of certain errors that are identified during the review process but do not meet the current study criteria for error measurement.

Implementation of these recommendations will allow agency management to determine if improper payments are significant enough to require corrective action, the amount to invest to correct any problems, or the impact of actions already taken to reduce improper payments.

Program managers agreed with the auditors' assessment and have initiated actions to address the recommendations. However, they cited limited resources and expertise, and requested the OIG's assistance in developing the recommended methodology. The OIG has initiated a separate audit to assess the sufficiency of existing data to estimate the impact of improper payments.

Review of the Railroad Retirement Board's Progress in Meeting Selected Federal Financial Management Requirements

Auditors conducted this review to assess the RRB's progress during fiscal year 2002 in meeting selected financial management requirements of Office of Management and Budget (OMB) Circular A-127. This circular prescribes policies and standards for executive departments and agencies to follow in developing, operating, evaluating and reporting on financial management systems. This audit indicated that the RRB has met the major financial management system requirements of the OMB Circular.

Although the agency is not subject to the financial reporting requirements of the Chief Financial Officers Act, the RRB has emulated CFO Act agencies in publishing audited financial statements, meeting the Act requirements and reporting timetable that currently requires annual submission of statements by January 31. In December 2002, the Director of OMB informed the RRB that, beginning with the

fiscal year 2004 financial statements, the agency will be required to submit performance and accountability reports to OMB and the Congress by November 15, 2004.

Auditors expressed concern about the agency's ability to meet this accelerated schedule. At present, the financial statements are prepared through entering data into a complex series of interrelated spreadsheets. The lack of an automated process for the preparation of financial statements will seriously affect the RRB's ability to meet the revised due date. The Chief Financial Officer concurred with the finding, and advised the OIG that he had initiated a project in February 2003 that will allow the agency to "generate the primary financial statements within a week of closing." The target completion date for the project is June 2003.

This audit also addressed the agency's lack of a full assessment of its financial management systems for compliance with the requirements of the Joint Financial Management Improvement Program (JFMIP). Since 1988, JFMIP has published detailed system requirements for thirteen areas of financial accountability. Agencies may comply by building or modifying their financial systems or may purchase software that has been tested by the JFMIP and certified compliant with its mandatory requirements.

The RRB has implemented a core financial system and integrated purchasing and budgeting subsystems that are certified as JFMIP compliant. However, the agency also has several major non-integrated systems that have not been formally assessed for compliance with JFMIP standards. Auditors recommended, and management concurred, that periodic evaluations of JFMIP compliance should be part of the agency's existing management control review process. As a result, the agency is developing a process to coordinate the management control and computer security assessment and review process.

Inspection of Unverified Records in the Railroad Retirement Board's Employment Data Maintenance System

The RRB uses the Employment Data Maintenance (EDM) database system to maintain historical service and compensation information for each person who has ever worked for a railroad employer. Railroad employers report this information using an employee Social Security number as the primary identifier. Railroad retirement benefits are awarded based on the number of months of service and the amount of compensation recorded in EDM.

The RRB verifies the SSN and name of all new railroad employees with the records of the Social Security Administration through an initial process that matches the automated records of the two agencies. This process is used to ensure that service and compensation are recorded accurately as a basis for the determinations concerning the entitlement to benefits and the amount of benefits payable. If the name and SSN do not agree, the EDM account is considered unverified and referred for further manual review by RRB employees. EDM also identifies accounts that were unverified when that system was implemented in 1989.

An analysis of approximately 15,500 accounts that the agency categorized as unverified as of March 2002 identified over 1,700 accounts that were incorrectly identified as pending verification, and over 3,700 accounts that have remained unverified for at least 13 years. Some of these accounts contained compensation from 1937. Auditors also questioned the continued status of 1,922 accounts currently categorized as unverified due to the absence of a matching SSN on the records of the Social Security Administration. Recommendations were issued to management to update current procedures and establish effective followup actions for unverified accounts. RRB program managers have initiated action to develop a comprehensive plan by July 2003 to improve the process.

Auditors also identified that current procedures and controls do not provide reasonable assurance that compensation and service are maintained in a single EDM account for railroad employees who have more than one SSN. The RRB currently relies upon a manual review process to ensure all data is recorded in only one EDM account. Management has agreed to incorporate improvements to the process for verifying EDM records and resolving discrepancies into the comprehensive plan to be completed by July 2003.

Evaluation of RRB E-Government Initiative: RUIA Contribution Internet Reporting and Payment

As part of its responsibilities under the Railroad Unemployment and Insurance Act (RUIA), the RRB collects employer contributions that are used to fund the RUIA benefit payments. Employers make contributions and report them to the agency on a quarterly basis. In the past, employers have reported contributions by submitting a paper copy of Form DC-1, "Employer's Quarterly Report of Contributions under RUIA," to the RRB, and have paid their contributions by paper check or electronic means. The electronic payment option, RRBLink, was implemented in 1993 and allows employers to make electronic payments using personal computer/modem technology, telephone and telephone voice technology.

In order to further streamline the employer contribution process, RRB management has developed an Employer Reporting Initiative to automate the current paper-based reporting. Phase I of this program implemented the DC-1 Internet reporting and payment project in March 2002. The contractor, U.S. Bank, in conjunction with the RRB's Bureau of Fiscal Operations, modified the RRBLink system to add a new option for electronic payment over the Internet and allow for Internet filing of the DC-1 reports for those railroads that adopted the Internet payment option.

Auditors performed this review to evaluate the implementation of the project, and identified significant weaknesses in overall security of the Internet system, problems with the 2002 Memorandum of Understanding (MOU) between U.S. Bank and the RRB, and concerns about the level of railroad participation in the Internet system.

The RRB cannot adequately validate the certification of any Form DC-1 filed using the Internet; employers filed over 200 DC-1 forms for the first and second quarters of calendar year 2002. The agency and U.S. Bank have failed to implement sufficient controls over the Internet enrollment process. In addition, auditors identified instances in which authorized Internet users share their access to the secure system with individuals who have not been officially granted access to the electronic payment system. U.S. Bank also did not fully implement restrictions on password use and limits on log-on attempts. In addition, invalid log-in attempts were not limited, recorded or reviewed.

The review of the 2002 MOU indicated the lack of performance requirements and details to satisfy both parties' needs. Information concerning timeliness, costs for handling information requests, the mechanism for resolving disputes over provisions, and other critical terms was not included because RRB program personnel believed the details of the 1993 RRBLink agreement automatically applied. In addition, the MOU does not specifically state how the privacy and security of DC-1 data will be monitored.

Auditors also recommended that the agency implement a plan to encourage increased railroad participation in the Internet system. In the initial implementation of the system, about 20% of all railroads filed through the Internet for the first quarter of 2002. However, only ten additional railroads began filing via the Internet in the second quarter of 2002. None of the seven major railroads are using the Internet for DC-1 reporting and payments. These railroads contributed approximately 70% of total RUIA compensation in calendar year 2001. Railroads using the Internet system provided 5% or less of the total RUIA compensation during the same period.

The RRB's Bureau of Fiscal Operations concurred with the OIG findings in the report, and have initiated action for the report recommendations.

AUDITS: MANAGEMENT DECISIONS AND IMPLEMENTATION

The Office of Inspector General maintains the open audit follow-up system to track the status of corrective actions for all audit recommendations. Office of Management and Budget Circular No. A-50 (Revised) and the Inspector General Act Amendments of 1988 require the reporting of management decisions and corrective actions for all audit recommendations.

Management Decisions for Recommendations

Requiring a management decision on October 1, 2002	0
Pending management decisions for new recommendations	4
Management decisions for previous recommendations	<u>0</u>
Recommendations pending a management decision on March 31, 2003	4

Corrective Actions

Recommendations requiring action on October 1, 2002	72
Recommendations issued during this period	37
Corrective actions completed during the period	<u>- 20</u>
Final actions pending on March 31, 2003	89

O F F I C E O F I N V E S T I G A T I O N S

The Office of Investigations (OI) focuses on RRB benefit program fraud. OI's primary objective is to identify, investigate, and refer for prosecution and monetary recovery action, cases of waste, fraud and abuse in RRB programs. Through its investigations, OI also seeks to prevent and deter program fraud. In order to maximize the effect of its resources, OI continues to pursue cooperative investigative activities and coordination with other Inspectors General and law enforcement agencies, which include the Social Security Administration-Office of Inspector General, the Federal Bureau of Investigation, the U.S. Secret Service, the Internal Revenue Service, and the Postal Inspection Service.

Assistance to the National Aeronautics and Space Administration (NASA)

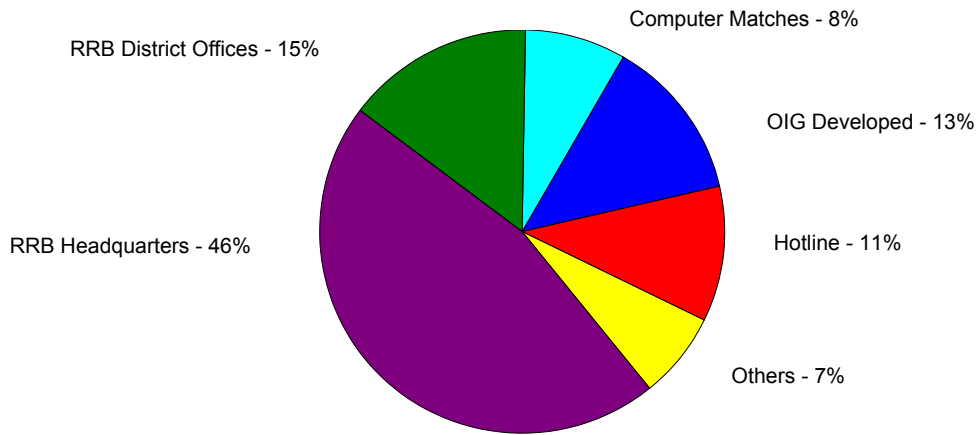
On February 1, 2003, the space shuttle Columbia and its crew of seven astronauts were lost in the sky over Texas. In order to expedite recovery efforts, the Inspector General at NASA issued a request for assistance to other members of the Federal IG community.

We asked for volunteers from our special agent staff. As a result, two criminal investigators on our staff traveled to Texas on February 5. Each agent contributed 100 hours of support providing security for recovered Shuttle debris, surveillance of subjects suspected of stealing Shuttle debris, and interviews of witnesses and subjects.

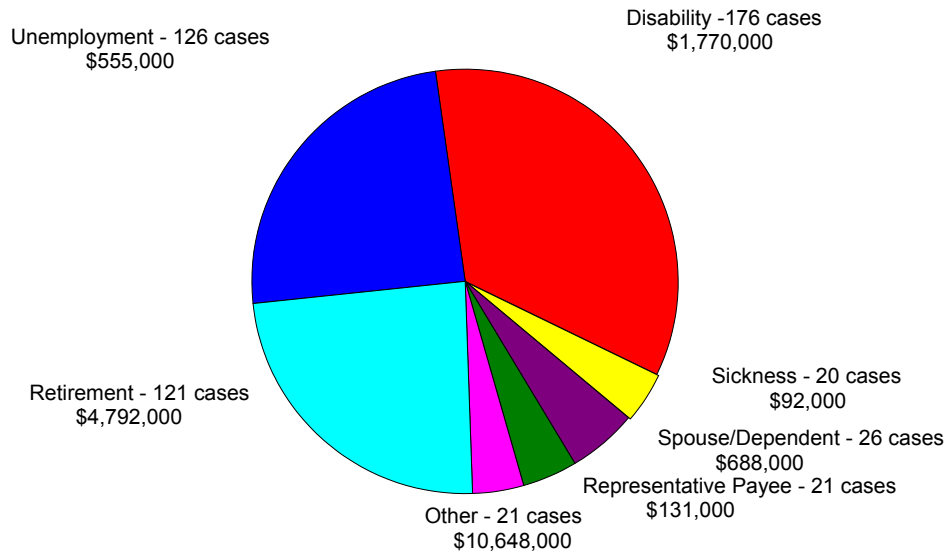
INVESTIGATIVE ACCOMPLISHMENTS	FY 2002	10/01/02 - 03/31/03
Convictions	53	19
Civil Judgements	36	21
Indictments/Informations	37	25
Investigative Recoveries	\$ 229,664	\$ 719,657
Restitutions and Fines	\$ 853,864	\$ 337,796
Civil Damages and Penalties	\$ 2,146,591	\$ 343,419
Potential Economic Loss Prevented (PELP)	0	0
Community Service Hours	698	300
Disciplinary/Administrative Action	1	0
Civil Complaints	75	7
Criminal Complaints		3
Arrests	3	1
Subpoena Service:		
Inspector General	13	4
Federal Grand Jury	40	57
Trial	9	0
Program Fraud Civil Remedies Act Referrals	1	0
U.S. Attorney Referrals	231	122

INVESTIGATIVE CASES

During this semiannual period, OI opened 156 investigations and closed 113 cases. The major sources of case referrals are illustrated below.



OI's current caseload totals 511 criminal matters, representing approximately \$18.7 million in fraud against the RRB.



REPRESENTATIVE INVESTIGATIONS

Retirement Benefit Investigations

RRB retirement fraud typically involves the theft and fraudulent cashing of U.S. Treasury checks, or the illicit conversion of U.S. Treasury electronic fund transfers, by someone other than the authorized RRB annuitant. During this reporting period, OI obtained three convictions and one civil judgement for retirement fraud. Defendants received eight years probation, six months house arrest, and were ordered to pay \$14,032 in restitution, and \$17,922 in civil damages. The RRB will recover \$36,659 in overpayments as a result of OIG investigations of retirement benefit programs.

Examples of recent retirement cases follow.

- Based on a match of records with the Social Security Administration, the RRB's Debt Recovery Division referred a case to OI involving an annuitant who allegedly collected RRB benefits that exceeded the annual exempt earnings amount. Earnings limitation amounts for the years in question, 1997 and 1998, were \$8,640 and \$9,120 respectively.

OI agents determined that the subject owned his own company that performed consulting and track maintenance work for railroads in Texas. He also operated a livestock ranch. For calendar years 1997 and 1998, he reported wages of \$35,700 and \$51,300 to the Social Security Administration but failed to report this information to the RRB. Based on these earnings, the subject was paid \$17,922 in benefits to which he was not entitled because he did, in fact, exceed the exempt earnings limitations. On February 10, 2003, he signed a settlement agreed with the U.S. Attorney's office and repaid the total amount.

- Another referral from the Debt Recovery Division concerned annuity payments that had continued to be made after the death of an annuitant. The referral indicated that the annuitant had passed away in June 1997, but the RRB had received no notification. The agency had issued 33 annuity payments totaling \$29,238 via electronic funds transfer. RRB efforts to recover these funds via reclamation with the bank were unsuccessful.

After verifying the death of the annuitant in 1997, OI agents interviewed the annuitant's hired caretaker. The woman confessed that she had taken possession of the deceased annuitant's ATM check card, and had withdrawn the funds for her personal use.

On March 18, 2003, the caretaker entered a guilty plea, and a criminal judgement was entered against her for violation of Title 19, U.S.C. §641, Theft of Government Funds. She was sentenced to five years of probation, and was ordered to make full restitution to the RRB.

Unemployment and Sickness Insurance Investigations

Unemployment Insurance (UI) and Sickness Insurance (SI) benefit fraud involves individuals claiming and receiving UI or SI benefits while working and receiving wages from an employer, in violation of Federal law. The primary source of UI/SI fraud cases remains state computer matching programs that compare RRB beneficiaries with individuals for whom wages have been reported.

During this reporting period, OI obtained nine convictions and 17 civil judgements for UI and SI fraud. Defendants in these cases received, in the aggregate, five months imprisonment and 24 years probation. They were ordered to pay \$50,974 in restitution, \$93,462 in damages, \$325 in fines, \$166,540 in civil penalties and to perform 300 hours of community service. The RRB will also be able to recover an additional \$28,463 as a result of OI investigations.

OI received the majority of these cases for followup investigation from the RRB's Disability, Sickness and Unemployment Benefits Division as a result of information developed from state wage matching programs. These programs match RRB annuitants with individuals who earned compensation in each state. Examples of several cases completed this reporting period follow.

- This case was initiated following a claimant interview with RRB district office personnel. The claimant admitted working for the Chicago Transit Authority while claiming and receiving \$4,726 in unemployment benefits from the agency.

OI agents interviewed the subject who claimed confusion regarding his eligibility for benefits. At no time, however, did he attempt to deny or conceal his employment. He subsequently entered into a Consent Judgement with the U.S. Attorney for violation of Title 31, §3729, False Claims Act. Based on this judgement, the subject was ordered to pay \$9,452 in damages and penalties to the government.

- A case was initiated based on a referral from an agency program division that indicated an unemployment insurance claimant possibly claimed benefits in the same calendar quarter that he was working for a private employer. OI investigation determined that the subject had worked as a substitute school teacher in Texas on the same days as claiming benefits totaling \$4,752.

On February 1, 2003, a default judgement was filed against the subject for violations of the False Claims Act. The conditions of the judgement included treble damages and a penalty of \$5,000-\$10,000 per count. The subject had filed 13 false claims resulting in a total judgement debt of \$144,256.

- A state wage match with the state of Michigan identified a laborer employed at a wire processing company was also receiving RRB unemployment benefits. He worked for 87 days while claiming benefits, resulting in an overpayment of \$3,960.

A civil complaint was filed against the subject for filing the false claims. On February 25, 2003, a default judgement was signed in the amount of \$12,178.

- An investigation of another unemployment claimant revealed a subject claimed benefits in the same calendar quarter that he was employed, resulting in an overpayment of \$10,770. The subject worked as a bus driver for a transit company. When interviewed, the subject admitted his actions.

On September 27, 2002, he was sentenced for violations of Indiana State Code 35-43-5-7, Welfare Fraud (Felony). The subject was sentenced to four years probation and ordered to pay restitution of \$10,770.

- An Arkansas annuitant was identified through a computer wage matching program with that state that indicated he had claimed benefits in the same calendar quarter that he was employed. Investigation revealed that he had worked as a laborer for a clothing store on the same days and claimed unemployment benefits. As a result, he was overpaid \$9,264.

On October 24, 2002, he entered into a pre-trial diversion agreement with the U.S. Attorney's Office. He agreed to 18 months supervision and will pay restitution of \$3,600 resulting from violations of 18 U.S.C. §287, False Claims.

- A Georgia claimant who was employed by the Pepsi Cola Bottling Company was identified as the recipient of unemployment benefits while working. He fraudulently submitted eight false claims, resulting in the theft of \$3,792 in government funds. These acts were in violation of Title 18, §287, False Claims, and Title 18, §641, Theft of Government Funds.

On December 17, 2002, the subject entered into a pretrial diversion and was ordered to make restitution of \$3,792 to the RRB.

- Another investigation, based on a referral from the RRB, was initiated regarding a California claimant. OI special agents determined that the subject had received \$5,568 in unemployment benefits while employed as a driver for a sales company. On August 15, 2002, a criminal information was filed in U.S. District Court, charging the claimant with theft of government funds.

On November 20, 2002, the subject pleaded guilty to the criminal information charging him with two counts of violating 18 U.S.C. §641. He was subsequently sentenced in U.S. District Court to 60 months probation and ordered to pay restitution of \$5,568 to the RRB.

Disability Investigations

The OIG also conducts fraud investigations relating to the RRB's disability program, which typically involves larger financial amounts and more sophisticated schemes. An individual who receives a disability annuity is restricted to earning not more than \$400 in one month. An earnings cap of \$4,999 per year also applies. Disability annuitants must report all work activity to the RRB.

During this reporting period, OI obtained one civil judgement and three criminal convictions for disability fraud. Defendants in these cases were collectively sentenced to one year imprisonment, six months house arrest, and eight years probation. In addition, they were ordered to pay \$227,198 in restitution, \$10,000 in fines, and \$35,094 in civil damages.

The two following cases were initiated by our Philadelphia field office based on complaints received on the OIG hotline.

- In one case, a complainant reported that a subject in West Virginia was employed by a furniture company and was concealing part of his earnings. The caller also stated that the owner of the store was reporting the subject's earnings as \$400 per month. Investigation revealed that the subject was, in fact, having his excess earnings reported under the social security numbers of his wife and stepfather. The subject initiated this action in June 1992, and it continued until July 2001. As a result, an overpayment of \$165,198 was calculated in this case.

In December 2002, the subject plead guilty to one count of violating Title 18, U.S.C. §641, Theft of Government Funds. He was sentenced to 12 months imprisonment and placed on two years of supervised release. He was also ordered to pay restitution totaling \$165,198.

- In the second case, the complainant reported that a disability annuitant was currently employed as a wide load escort driver in Virginia. After OI special agents interviewed the subject in May 2001, he provided them with a signed statement in which he admitted he had been a paid contract employee, earning at least \$1,000 a month from March 1998 through December 2000. Based on the subject's admissions, the RRB determined he had been overpaid \$65,789.

During plea negotiations, OI agents participated in a meeting with the subject, his legal counsel, and the Assistant U.S. Attorney. The subject recanted this previous statement and presented written witness testimony that disputed the amount of money he had earned. Based on this witness testimony and a lack of evidence to refute that testimony, the overpayment was reduced to \$12,000. The subject subsequently signed a plea agreement for one count of Title 45, U.S.C. §231(l), and agreed to make restitution to the RRB in the amount of \$12,000.

On February 6, 2003, a judgement in a criminal case was entered against the subject in U.S. District Court for one count of Title 45, U.S.C. §231(l), Failure to Report Information to the RRB. The subject was ordered to make restitution to the RRB, to be deducted by the RRB at the rate of \$100 monthly from his current annuity, and was sentenced to one year of probation.

Surviving Child Benefit Investigations

Surviving child fraud benefit cases typically involved the falsification of school attendance forms. Child benefits are payable to an unmarried child under age 18. If a child meets these criteria and is in full-time attendance at an elementary or secondary school or in approved home schooling, he or she may receive an annuity until age 19, or the end of a school term in progress when the student attains age 19.

During this period, OI obtained three criminal convictions involving this type of fraud. Defendants were sentenced to 11 years probation, and ordered to pay \$23,579 in restitution.

- The RRB District Office in Denver, CO referred a possible fraud case that indicated that a student had fraudulently claimed full-time student benefits by falsifying RRB attendance verification forms.

OI agents determined that a student annuitant, with the help of his mother, had falsified three student attendance verification forms from October 2000 through June 2001, enabling him to continue to receive student benefits. These criminal acts resulted in the theft of \$11,143 in RRB student benefits. In October 2002, the mother and son were found guilty of violating Title 45, U.S.C. §231(l), Failing to Provide Information to the RRB/Making False Statements. As a result, the son was placed on probation for three years and ordered to make full restitution to the RRB. His mother was also placed on probation for three years and ordered to make joint restitution.

- OI initiated another investigation involving student fraud based upon a complaint filed by the RRB's Survivor Benefits Program. Investigation revealed that the subject had not been a student in the time period for which she applied and received benefits totaling \$13,337 in RRB benefits. Both the student and her mother refused to cooperate with OI agents during the investigation.

OI agents obtained a Grand Jury subpoena to obtain bank records, and determined that the student benefits were electronically transferred into a joint account held by the student and her mother. The funds were then transferred

into the mother's individual account shortly after being paid. In addition, handwriting exemplars obtained from the mother via another Grand Jury subpoena identified her as the probable writer on the forged student questionnaires submitted to the RRB.

The mother pleaded guilty to violation of Title 18, §641, Theft of Government Property, and was sentenced to five years probation and ordered to pay \$12,337 in restitution to the RRB.

AFFIRMATIVE CIVIL ENFORCEMENT (ACE) PROGRAM

OI continues to pursue prosecution of cases under the Department of Justice's Affirmative Civil Enforcement Program. This program involves "fast track" civil prosecution of cases under the provisions of the Title 31, U. S. Code, Sections 3729-3733, The Civil False Claims Act. This statute allows the government to recover up to triple damages as well as \$5,000 to \$10,000 for each false claim submitted.

The Department of Justice is frequently obtaining double damages through these civil false claims prosecutions. The judgements obtained in these cases also provide the agency with an efficient and effective basis to pursue their collection activities.

The ACE Program continues to provide an efficient means to address fraud against agency programs, particularly where the fraud losses are below the financial guidelines for criminal prosecution. It also is an effective way to return fraud losses to the RRB's trust funds and create a deterrent against future fraud.

During this reporting period, a total of 14 civil judgements under the ACE program were entered by Federal district courts which will result in the return of \$285,313 to the government when the funds are collected.

HOTLINE CALLS

The Office of Inspector General established its Hotline to receive complaints concerning suspected fraud, waste and abuse in RRB programs and operations. The Hotline provides an open line of communication for individuals to report suspected criminal activity, conflict of interest, mismanagement, and waste of RRB funds.

	<u>10/01/02 - 03/31/03</u>
Total Contacts: (Telephone Calls and Letters)	582
Referred to: RRB-OIG, Office of Investigations	25
RRB Bureaus/Offices	292
Other Federal Agencies	16
RRB Medicare Carrier/Durable Medical Equipment Regional Carriers	7
Other (misdirected calls, follow up calls to agents, etc.)	177
Calls for which there was insufficient information to substantiate an allegation or to make a referral	65

LEGISLATIVE & REGULATORY REVIEW

The Inspector General Act requires the Inspector General to review existing and proposed legislation and regulations relating to the programs and operations of the agency, and to make recommendations in the semiannual report concerning the impact on the economy and efficiency of the agency's administration of its programs and on the prevention of fraud and abuse.

During this reporting period, the agency issued a final regulation addressing requests for reconsideration and appeals within the agency. The amended regulation clarified the appeals procedures. This change positively impacts the economy and efficiency of the administration of the agency's programs.

APPENDIX A

REPORTS ISSUED

- Effectiveness of the Railroad Retirement Act Quality Assurance Program in Estimating Exposure to Improper Payments, October 9, 2002
- Evaluation of the Self-Assessment Process for Information System Security, December 27, 2002
- Evaluation of RRB E-Government Initiative: Railroad Unemployment and Insurance Act Contribution Internet Reporting and Payment, December 27, 2002
- Audit of the Fiscal Year 2002 Financial Statements, January 24, 2003
- Review of the Railroad Retirement Board's Progress in Meeting Selected Federal Financial Management Requirements, March 18, 2003
- Strategic Initiatives Related to the President's Management Agenda, March 31, 2003
- Inspection of the Unverified Records in the Railroad Retirement Board's Employment Data Maintenance System, March 20, 2003

APPENDIX B

OIG REPORTS WITH RECOMMENDATIONS THAT QUESTIONED COSTS

No activity during this reporting period.

OIG REPORTS WITH RECOMMENDATIONS FOR BETTER USE OF FUNDS

No activity during this reporting period.

APPENDIX C

REPORT ON RECEIVABLES, WAIVERS, AND RECOVERIES

The FY 1999 appropriations language for this office requires the reporting of additional information concerning actual collections, offsets and funds put to better use achieved as a result of Inspector General activities. Figures are to be provided for each semiannual period and as a cumulative number.

Office of Audit

<u>Report</u>	<u>Funds to be Put To Better Use</u>	<u>Funds Agreed by Management</u>	<u>Receivables Established</u>	<u>Waivers</u>	<u>Recoveries To Date</u>
99-03	\$ 50,850	\$ 50,850	\$ 50,850	\$ 50,490	\$ 360
99-14	\$ 83,000	\$ 83,000*	\$ 34,423		\$ 30,584
99-16	\$ 48,000,000	\$ 48,000,000			
99-17	\$ 11,000,000	\$ 11,000,000			
00-16	\$ 235,000	\$ 235,000			\$ 253,846**

* This figure includes monies owed to the agency and overpayments which must be refunded.

**This figure represents returned payments credited to debtor accounts.

Office of Investigations

Recoveries realized by the RRB resulting from court ordered restitution and civil damages

October 1, 1998 - March 31, 1999	\$ 344,465
April 1, 1999 - September 30, 1999	\$ 511,190
October 1, 1999 - March 31, 2000	\$ 495,402
April 1, 2000 - September 30, 2000	\$ 542,732
October 1, 2000 - March 31, 2001	\$ 457,015
April 1, 2001 - September 30, 2001	\$ 533,341
October 1, 2001 - March 31, 2002	\$ 403,384
April 1, 2002 - September 30, 2002	\$ 382,459
October 1, 2002 - March 31, 2003	\$ 533,346

APPENDIX D - RRB MANAGEMENT REPORTS*

MANAGEMENT REPORT ON FINAL ACTION ON AUDITS WITH DISALLOWED COSTS FOR THE SIX MONTH PERIOD ENDING MARCH 31, 2003

	<u>Number</u>	<u>Disallowed Costs</u>
A. Audit reports, with management decisions, on which final action had not been taken at the beginning of the period.	0	0
B. Audit reports on which management decisions were made during the period.	0	0
C. Total audit reports pending final action during the period. (A + B)	0	0
D. Audit reports on which final action was taken during the period.		
1. Recoveries		
(a) Collections	0	0
(b) Property		
(c) Other		
2. Write-offs	0	0
3. Total of 1 and 2	0	0
E. Audit reports needing final action at the end of the period.	0	0

* The information contained in this section has been provided by RRB management.

**MANAGEMENT REPORT ON FINAL ACTION ON AUDITS
WITH RECOMMENDATIONS TO PUT FUNDS TO BETTER USE
FOR THE SIX MONTH PERIOD ENDING MARCH 31, 2003**

	<u>Number</u>	<u>Funds to be put to better use</u>
A. Audit reports, with management decisions, on which final action had not been taken at the beginning of the period.	3	\$ 59,136,196 *
B. Audit reports on which management decisions were made during the period.	0	0
C. Total audit reports pending final action during the period. (A + B)	3	\$ 59,136,196
D. Audit reports on which final action was taken during the period.		
1. Value of recommendations implemented.	0	\$ 0
2. Value of recommendations that management concluded should not or could not be implemented.	0	\$ 0
3. Total of 1 and 2.	0	\$ 0
E. Audit reports needing final action at the end of the period (C - D.3).	3	\$ 59,136,196

* Comprised of the following amounts: \$48,000,000 from Audit Report 99-16, "Financial Interchange: Status of Prior Recommendations for Change;" \$10,606,200 from Audit Report 99-17, "Review of Supplemental Annuities;" and \$529,996 from Audit Report 01-11, "Review of the Quality of the Debt Recognition and Collection Process for Railroad Retirement Act Overpayments."

**MANAGEMENT STATEMENT ON RESOLVED AUDIT REPORTS
OVER TWELVE MONTHS OLD WITH FINAL ACTION PENDING
AS OF MARCH 31, 2003**

<u>Report</u>	<u>Date</u>	<u>Disallowed Costs</u>	<u>Funds to be put to better use</u>	<u>Reason action has not been completed</u>
Review of Quality Assurance Activities (97-06)	1/22/97	None	None	The remaining recommendation will be addressed as the agency develops a long-term quality assurance plan.
Review of Non-Priority Correspondence Handling (97-09)	3/13/97	None	None	The Office of Programs hopes to finish evaluating options for correspondence tracking in FY 2003 in order to close the remaining recommendation.
Review of Duplicate Postings of Railroad Compensation (97-19)	7/31/97	None	None	Programming changes to suppress duplicate earnings referrals should be completed in FY 2003 to close the remaining open recommendation.
Review of Overpayments SSA Transfer Cases (97-22)	8/25/97	None	None	Preliminary tests of programming changes to automate non-death termination cases revealed the need for added security measures, which have been requested.
Vested Dual Benefits Appropriations (98-15)	6/16/98	None	None	The agency will review the feasibility of benefit component accounting as part of its overall strategic information technology planning process.

**MANAGEMENT STATEMENT ON RESOLVED AUDIT REPORTS
OVER TWELVE MONTHS OLD WITH FINAL ACTION PENDING
AS OF MARCH 31, 2003**

<u>Report</u>	<u>Date</u>	<u>Disallowed Costs</u>	<u>Funds to be put to better use</u>	<u>Reason action has not been completed</u>
Review of Computer Problem and Change Management Process (99-05)	2/12/99	None	None	The Bureau of Information Services has developed a service-level agreement to monitor internal customer satisfaction.
Review of Railroad Unemployment Insurance Act Contributions (99-14)	9/21/99	None	None	The agency is making programming changes to automate the reconciliation process for unemployment insurance reports and payments in phases.
Financial Interchange: Status of Prior Recommendations for Change (99-16)	9/28/99	None	\$48,000,000	The agency continues to provide information to the Social Security Administration in support of revising Financial Interchange calculations to reflect unrecovered overpayments.
Review of Supplemental Annuities (99-17)	9/30/99	None	\$10,606,200	The agency requested additional information on private pensions from some railroad employers and hopes to complete action on the remaining recommendations in FY 2003.

**MANAGEMENT STATEMENT ON RESOLVED AUDIT REPORTS
OVER TWELVE MONTHS OLD WITH FINAL ACTION PENDING
AS OF MARCH 31, 2003**

<u>Report</u>	<u>Date</u>	<u>Disallowed Costs</u>	<u>Funds to be put to better use</u>	<u>Reason action has not been completed</u>
Review of Internal Controls Over Fixed Assets (00-01)	10/5/99	None	None	The agency installed improved software for tracking fixed assets and is in the process of reconciling the initial accountable property inventory under this system.
Information Systems Security (INFOSEC) Assessment Report	6/28/00	None	None	The agency has implemented nine recommendations, and is working to close out the remaining six.
Review of the Processing of Automated Receivables, Reclamations and Credits (ARRC) System Referrals (00-14)	8/11/00	None	None	Testing of system changes to improve recovery of representative payee overpayments is underway prior to implementation.
Review of Information Technology Contracts (00-15)	9/6/00	None	None	A post-implementation review of upgrades to the agency's wide-area network should close the remaining recommendation.
Review of Internal Control Over Financial Accounting for Debt Recoveries (00-16)	9/29/00	None	None	Final action on the two remaining open recommendations is contingent on completion of programming changes and related procedures.

**MANAGEMENT STATEMENT ON RESOLVED AUDIT REPORTS
OVER TWELVE MONTHS OLD WITH FINAL ACTION PENDING
AS OF MARCH 31, 2003**

<u>Report</u>	<u>Date</u>	<u>Disallowed Costs</u>	<u>Funds to be put to better use</u>	<u>Reason action has not been completed</u>
Review of Document Imaging - Railroad Unemployment Insurance Act Programs (01-01)	11/17/00	None	None	The agency hopes to close the remaining recommendation in FY 2003 as backup capabilities are enhanced for the remaining local-area network servers.
Audit of the RRB's FY 2000 Financial Statements (01-03)	2/23/01	None	None	The Bureau of Information Services will address the remaining recommendation on problem reports pending availability of funds.
Timeliness of Desk Audit and Vacancy Announcement Processing by the Bureau of Human Resources (01-08)	6/28/01	None	None	The Bureau of Human Resources has requested assistance in developing a database to track performance in an automated fashion.
Site Security Assessment for the Office of Inspector General	7/20/01	None	None	The Bureau of Information Services has closed out nine recommendations, and is in the process of addressing the three remaining ones.
Review of the RRB's Contract with Comprehensive Health Service, Inc. For Disability Examinations and Services (01-10)	8/07/01	None	None	Final action on the remaining open recommendation depends on requested programming changes being made.

**MANAGEMENT STATEMENT ON RESOLVED AUDIT REPORTS
OVER TWELVE MONTHS OLD WITH FINAL ACTION PENDING
AS OF MARCH 31, 2003**

<u>Report</u>	<u>Date</u>	<u>Disallowed Costs</u>	<u>Funds to be put to better use</u>	<u>Reason action has not been completed</u>
Review of the Quality of the Debt Recognition and Collection for RRA Overpayments (01-11)	8/9/01	None	\$ 529,996	The agency hopes to implement added quality control measures in FY 2004 to address the report's last open recommendation.
Security Controls Analysis for the Office of Inspector General	8/17/01	None	None	The Bureau of Information Services closed 31 recommendations and is currently addressing the remaining seven.
Review of Information Security at the Railroad Retirement Board (02-04)	2/5/02	None	None	The Bureau of Information Services has closed 11 recommendations and is currently addressing the remaining 17.

APPENDIX E - REPORTING REQUIREMENTS

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Management Requirements

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REPORT

FRAUD, WASTE AND ABUSE



**Call the OIG Hotline:
1-800-772-4258**

E-mail: Hotline@oig.rrb.gov

The OIG cannot ensure confidentiality to persons who provide information via e-mail. Do not send information by e-mail that you do not want a third party to read.

**Write: RRB-OIG Hotline Officer
844 North Rush Street
Chicago, IL 60611-2092**